FEB - 8 1980 Item 899 59.10: 9319

TREATIES AND OTHER INTERNATIONAL ACTS SERIES 9319

J # 48-692
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TECHNICAL COOPERATION IN TRANSPORTATION

Agreement Between the
UNITED STATES OF AMERICA
and SAUDI ARABIA

Signed at Jeddah November 18, 1978

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

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SAUDI ARABIA

Technical Cooperation in Transportation

Agreement signed at Jeddah November 18, 1978;
Entered into force March 5, 1979.

PROJECT AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE KINGDOM OF SAUDI ARABIA
FOR
TECHNICAL COOPERATION
IN
TRANSPORTATION

Article I - Scope

By the terms of this Agreement, the Department of Transportation (DOT) and the Department of the Treasury (Treasury) of the United States of America hereby agree with the Ministry of Communications (MOC) and the Ministry of Finance and National Economy (MFNE) of the Kingdom of Saudi Arabia to undertake a cooperative project for the provision of technical management, training and financial analysis assistance to the Kingdom of Saudi Arabia in the field of transportation.

Article 2 - Authorization

The project will be carried out under the auspices of the United States - Saudi Arabian Joint Commission on Economic Cooperation and in accordance with the provisions of the Technical Cooperation Agreement between the Governments of the United States and Saudi Arabia signed on February 13, 1975,[1] which is hereby incorporated by reference and becomes a part of this Agreement.

Article 3 - Services

1. In addition to the provisions of Article 1, the overall objective of the work to be performed under this Agreement shall be the provision of technical advice and consultation to the MOC in improving MOC's institutional capability to promote the development and regulation of the transportation system in the Kingdom.

2. DOT shall assist the MOC by providing experts for:

(a) Aid in the development, management and coordination of transportation systems under the jurisdiction of the MOC;

(b) Drafting and reviewing the transportation section of the Kingdom's third Five - Year Plan;

(c) Developing and structuring the staff required by the MOC to carry out its transportation responsibilities;

(d) Establishment of a regulatory framework for transportation in the Kingdom; and

(e) Other assignments related to the MOC's transportation jurisdiction.

[1] TIAS 8072; 26 UST 880.

Assistance to be provided during the first year of the project includes:

A. Long-term

(1) Project Coordinator, who would represent DOT and provide liaison, monitor the activities of the systems management team, and facilitate the provision of short-term personnel;

(2) Transportation Planner, who would provide assistance in planning and economic analysis and consult on the development of Ministry staff;

(3) A five-man Systems Management Team which DOT, using contractor personnel as appropriate, would provide for the primary purpose of assisting the MOC in its oversight of the systems and modes of transportation. The team will consist of a systems management specialist, a transportation economist, a financial analyst, a transportation system analyst, and an administrative specialist.

B. Short-term

A minimum of three short-term specialists would be provided, chosen from the following disciplines: vehicle technician, construction, design and maintenance, purchasing, cost control, industrial engineering, labor and/or others as may be specified by MOC.

3. Personnel to provide such assistance shall be selected solely on the basis of professional capability, experience and other like merit factors.

4. DOT shall develop work plans to carry out the duties required by MOC in the areas specified in Paragraph 2 above, and with approval of the MOC such work plans shall be incorporated herein. The work plans may be refined or modified by mutual agreement.

Article 4 - Local Support

MOC shall support the project by:

1. Designating an individual to be responsible for coordination between U.S. personnel under the project and the MOC;

2. Providing funding from the estimated budget of $2.2 million provided under Article 8 and from subsequent year budgets for the DOT team to acquire:

(a) secretarial and on-the-job logistical support;

(b) interpreter and translator services as necessary; and

(c) adequate office space, office furnishings, utilities, and maintenance and upkeep of such office space for personnel assigned to Saudi Arabia under this Agreement; and such supplies and materials as may be required for official project duties.

Article 5 - Coordination

Overall coordination of the project with other Joint Commission activities within the United States Government and provision of certain administrative facilities shall be the responsibility of Treasury. The Office of the Joint Commission in Riyadh shall serve as the point of contact for all communications between MOC, MFNE, DOT and Treasury. DOT is responsible for the coordination of all technical aspects of this project in the field of transportation.

Article 6 - Reports

DOT, in cooperation with Treasury, shall prepare and transmit to MOC and MFNE a quarterly report covering the overall status and progress of the project. In addition, DOT shall prepare and transmit to MOC a brief monthly report covering progress in all aspects of transportation related to this Agreement.

Article 7 - Force Majeure

If any party to this Agreement is rendered unable because of Force Majeure to perform its responsibilities under this Agreement, these responsibilities shall be suspended during the period of continuance of such inability. The term "Force Majeure" means acts of God, acts of the public enemy, war, civil disturbances, and other similar events not caused by nor within the control of the parties. During the period of suspension of performance caused by Force Majeure, Treasury may continue to pay normal costs of maintaining project personnel from funds advanced to the United States by the Government of Saudi Arabia. In the event of suspension of a party's duties because of Force Majeure, the parties shall consult and endeavor jointly to resolve any attendant difficulties.

Article 8 - Estimated Budget

Formal budgets shall be submitted annually by Treasury to MFNE. The total cost for the first year of the project is estimated to be $2,200,000 and the first-year budget for the project is attached as Annex A and is hereto made an integral part of this Agreement. This estimate covers the following expenses:

Salaries and Benefits
Travel and Transportation
Housing
Special Equipment

Article 9 - Dollar Trust Account

The Government of Saudi Arabia agrees to deposit in the dollar trust account in the United States Treasury established by the Technical Cooperation Agreement the sum of $2,200,000 to cover the estimated costs for the first year's activities referenced in Article 8 above.

Article 10 - Effective Date, Amendment, Extension and Termination

1. This Agreement shall enter into force upon the deposit by the Government of Saudi Arabia of the sum described in Article 9 above,[1] and shall remain in effect for four years or until terminated by the parties hereto in accordance with Paragraph 3 below or the termination of the Technical Cooperation Agreement of February 13, 1975, whichever shall occur first.

2. This Agreement may be amended or extended by the mutual written consent of all parties participating herein.

3. This Agreement may be terminated at any time at the discretion of either Government upon sixty (60) days' written notice.

4. All questions related to this Agreement arising during its term shall be settled by the parties by mutual agreement.

[1] Mar. 5, 1979.

Done at JEDDAH, SAUDI ARABIA, this 18th day of NOVEMBER, 1978.

UNITED STATES OF AMERICA

W M Blumenthal [1]
Department of the Treasury

Department of Transportation [2]

KINGDOM OF SAUDI ARABIA

[3]
Minister of Finance and
National Economy

[1] W. M. Blumenthal.
[2] Chester Davenport.
[3] Mohammad Aba al-Khail.

TRANSNET BUDGET

ANNEX A

FIRST YEAR
(US Dollars $)
7 Persons in Saudi Arabia and 1 person in U.S. and 3 short-term persons in Saudi Arabia

	Contract 5 Persons Cost and Fee (5 persons)	10%
Salaries[1]		
Allowances and Benefits	375,000	(37,500)
Education for family $7,000 each	35,000	(3,500)
Benefits - 11% of USG Salary	- 0 -	- 0 -
Allowances	- 0 -	- 0 -
Travel and Transportation $16,000 each	80,000	(8,000)
Housing and Related Expenses $50,000 each	250,000	- 0 -
Other:		
Contractors - 100% of Salaries	375,000	(37,500)
DOT - 20% of DOT Cost	- 0 -	- 0 -
Auto & Other - Contractors $16,000 each	80,000	- 0 -
- DOT $33,000 each	- 0 -	- 0 -
Fee 10% - Sum of all 10% Fees	- 0 -	86,500
T O T A L	1,281,500	
Short-term Persons - 3[2]	256,300	

1/ Salaries:
Contract 5 x $50,000 x 150% = $375,000
DOT in Saudi Arabia 2 x $47,000 x 120% = $114,000
DOT in United States 1 x $37,900 = $ 37,900

2/ Short-term Persons assumes 3 persons at the average annual cost of 1 contract person ($1,281,500 divided by 5 equal $256,300)

[Footnotes in the original.]

	DOT Employees in S.A 2 Persons Costs (2 persons)	DOT Employees in U.S. 1 Person Costs	Total
Salaries[1/]	114,000	37,900	526,000
Allowances and Benefits			
Education for family $7,000 each	14,000	- 0 -	49,000
Benefits - 11% of USG Salary	10,400	4,200	14,600
Allowances	2,400	- 0 -	2,400
Travel and Transportation $16,000 each	32,000	- 0 -	112,000
Housing and Related Expenses $50,000 each	100,000	- 0 -	350,000
Other:			
Contractors - 100% of Salaries	- 0 -	- 0 -	375,000
DOT - 20% of DOT Cost	34,600	84,000	43,000
Auto & Other - Contractors $16,000 each	- 0 -	- 0 -	80,000
- DOT $33,000	66,000	- 0 -	66,000
Fee 10% - Sum of all 10% Fees	- 0 -	- 0 -	86,500
TOTAL	373,400	50,500	1,705,400
Short-term Persons - 3 persons[2/]			256,300
Secretarial translation & office space = 20% of Salary approximately			105,000
Highway Agreement and Repayment			145,000
	Rounded off $2,200,000 (similar amount in second year)		2,211,700

1/ Salaries: Contract 5 x $50,000 x 150% = $375,000
DOT in Saudi Arabia 2 x $47,500 x 120% = $114,000
DOT in United States 1 x $37,900 = $ 37,900

2/ Short-term Persons assumes 3 persons at the average annual cost of 1 contract person ($1,281,500 divided by 5 equal $256,300)

[Footnotes in the original.]

TIAS 9319
U.S. GOVERNMENT PRINTING OFFICE : 1979 O—69-692